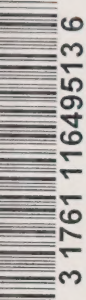


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# Ontario Hospital Services Commission

1965 Annual Report





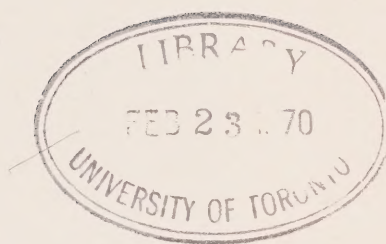
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# Ontario Hospital Services Commission







## ONTARIO HOSPITAL SERVICES COMMISSION

OFFICE OF THE CHAIRMAN

2195 YONGE STREET, TORONTO 7

THE HONOURABLE M. B. DYMOND, M.D., C.M.,  
MINISTER OF HEALTH

Honourable Sir:

It is my pleasure to present the 1965 Annual Report of the Ontario Hospital Services Commission. This publication, which describes the major activities of the Commission during 1965, will soon be substantiated by the issuance of a Statistical Supplement, containing detailed information on the operation and utilization of individual hospitals and facilities approved by the Commission.

During 1965, two changes in the composition of the Commission were announced. Dr. B. L. P. Brosseau resigned as Commissioner of Hospitals on July 1, 1965. This post was subsequently filled in February of the following year by Dr. J. S. W. Aldis. The second resignation received was that of Dr. J. B. Neilson, who continued in his position as Chairman and Chief Commissioner until May, 1966, when I succeeded him.

During the year, 1,083 new hospital beds were opened, bringing to 45,190 the number of beds which were available by the end of 1965 in hospitals and other approved facilities. During the fiscal year 1965/66, grants paid to public hospitals amounted to \$16,443,028.39. Loans approved for hospital construction purposes during this same period amounted to \$21,148,000.00.

Expenditures in hospitals participating under the hospital insurance programme increased at a faster rate in 1965 than they did in 1964. In 1965, hospital costs reimbursed by the Commission rose 12.9 per cent to \$345,052,365. This percentage increase was 1.3 per cent higher than that recorded in 1964. In addition to this sum, the Ontario Government bore the entire cost of care in mental hospitals and tuberculosis sanatoria which amounted to \$78,109,465 in 1965, and supplied grants during the same period totalling \$21,190,912 for hospital construction or other special purposes.

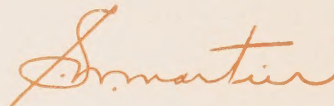
On September 1, 1965 the Regulations were amended to extend hospital insurance coverage under the family policy to all dependants up to 21 years of age who were unmarried, and not in receipt of salary or wages. Another major change was the increase from \$1.50 to \$2.25 per visit in grants to hospitals with organized out-patient departments.

The value of home care has become more widely known in Ontario since there are now programmes of a hospital-based type in Toronto, Ottawa, Wellington County and Guelph. Interest has also been shown in many other places, and to date, the Commission has been approached by representatives from Hamilton, Windsor, London and St. Catharines.

Much progress occurred in 1965 in the development of programmes for establishing regional schools for training nurses and other paramedical personnel. Studies were also conducted into the feasibility of installing computer information systems in hospitals, of which further particulars will be found in the body of this report.

Throughout the year, the Commission received much valued assistance and co-operation from hospitals, representatives and officials of the Ontario Medical Association, the Ontario Hospital Association, the nursing profession and several departments of government. As continued contact with these bodies is essential in order to provide good hospital care to the residents of Ontario, their interest in our problems and willingness to make their specialized knowledge available to us is genuinely appreciated.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "S. W. Martin". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

S. W. Martin, F.C.I.S., F.A.C.H.A.,  
*Chairman and General Manager.*

July 15, 1966



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## REPORT OF THE COMMISSION

The Ontario Hospital Services Commission, consists of seven members appointed by Lieutenant-Governor-in-Council, and reports to the Legislature through the Minister of Health. The daily management of the Commission is vested in an Executive Committee consisting of the Chairman, the Commissioners of Hospitals and Finances, and the Secretary to the Commission. The Executive Committee meets and confers regularly with the other four Commissioners on matters relating to formulation and implementation of policy.

With few exceptions, the staff of 752 is distributed among eight divisions, each of which is under the charge of a director, who reports to either the Commissioner of Hospitals or the Commissioner of Finances. Generally speaking, the Hospital Services branch of the Commission is responsible for (a) the development of a balanced and integrated system of hospitals and related facilities throughout the Province, (b) advising on and administering hospital operation and care standards as defined in the *Public Hospitals Act*, the *Private Hospitals Act* and all *Regulations* thereunder, (c) providing consultative assistance in the physical planning of hospitals, (d) the administration of grants and loans to hospitals, and (e) the maintenance of statistical records and the development of a research programme concerning all matters related to hospital planning or operating efficiency and the growth of the Plan. The functions of the Finance branch of the Commission are to (a) administer the Ontario Hospital Insurance Plan under the agreement between the Government of Ontario and the Government of Canada, (b) exercise control over the costs of administering the Commission, and (c) assess and advise on the financial operations of hospitals. Public relations, personnel and medico-legal matters are placed under the jurisdiction of the Secretary to the Commission. The names of the principal officers of the Commission appear on page 17 of this report.

### INSURED POPULATION

The insured population of Ontario rose 2.2 per cent, to an estimated 6,715,508 as of December 31, 1965. While this represented a lower increase than that which occurred in 1964, the total provincial population eligible to participate under the hospital insurance plan still remained close to 99 per cent. The distribution of these beneficiaries by insurance categories is shown below.

	Number in Plan <sup>1</sup>		Percentage Increase or (Decrease) 1965/64
	1965	1964	
<i>Insured through groups</i>			
(a) Payroll deductions and co-operatives .....	<b>4,850,058</b>	4,659,602	4.1
(b) Public welfare <sup>2</sup> .....	<b>156,224</b>	148,979	4.9
(c) Other welfare <sup>3</sup> .....	<b>41,191</b>	42,766	(3.7)
<i>Insured directly through certificate holders</i> .....	<b>1,574,321</b>	1,611,706	(2.3)
<i>Hospital indigents</i> <sup>4</sup> .....	<b>93,714</b>	109,818	(14.7)
<b>TOTAL</b> .....	<b>6,715,508</b>	6,572,871	2.2

As in previous years, most of the insured population paid their premiums through payroll deductions or co-operatives (72.2 per cent), but 23.4 per cent remitted payments directly on their own. Welfare and indigent groups made up less than 5 per cent of the total insured population.

On September 1, 1965 the dependency regulations were changed to extend hospital insurance coverage under the family policy to all dependants up to 21 years of age who were unmarried and not in receipt of salary or wages. Prior to this date, the age limit for dependants was set at 19.

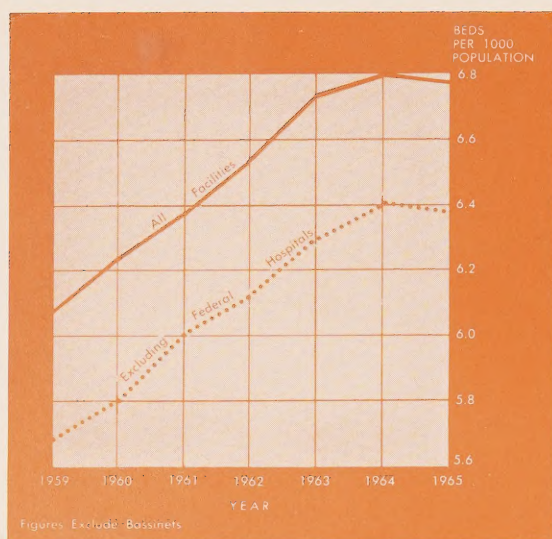
<sup>1</sup> All figures shown except hospital indigents are based on the Dominion Bureau of Statistics' estimate of the average number of persons in a family which was 2.577.

<sup>2</sup> Insured by the Ontario Department of Public Welfare.

<sup>3</sup> Includes provincial and municipal indigents, persons on relief roles, wards of Children's Aid Societies and patients in mental institutions and tuberculosis sanatoria who did not insure themselves under the Plan.

<sup>4</sup> Uninsured residents admitted to hospital who were or became indigents and for whom the municipality or province paid a statutory rate.

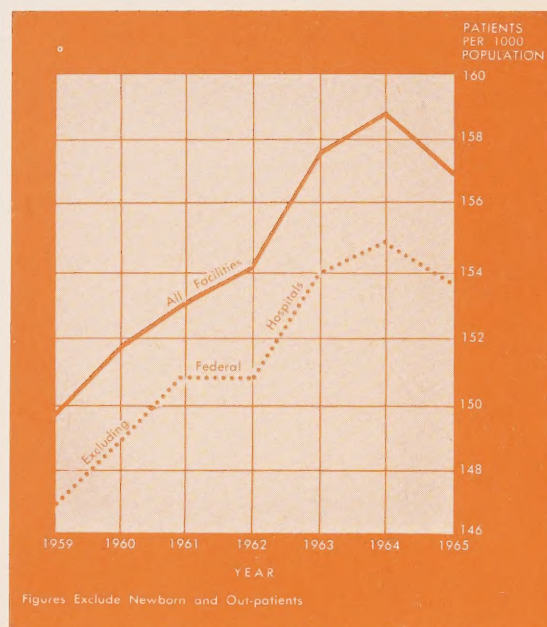
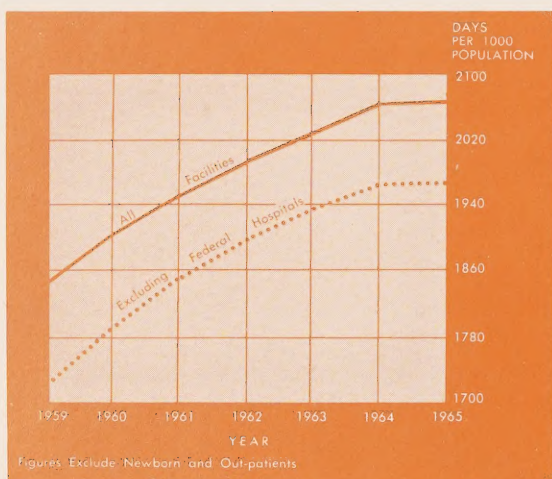




### TOTAL BEDS AVAILABLE PER 1000 POPULATION

(Includes beds in approved Nursing Homes and Federal Hospitals). (1) (2)

### TOTAL ADMISSIONS PER 1000 POPULATION PER YEAR IN ALL HOSPITALS. (2)



### TOTAL DAYS OF CARE PER 1000 POPULATION PER YEAR IN ALL HOSPITALS.

- (1) Total beds as at December 31st.  
 (2) Eligible Population as at June 1st.



## VOLUME OF HOSPITAL CARE

Hospital utilization in terms of admissions per 1000 eligible population<sup>1</sup> returned to the 1963 level in 1965. Total days of care per 1000 eligible population remained relatively the same for both 1964 and 1965, although some shifting in rates among the various levels of care was noted.

<i>Level of Care</i>	<i>Public and Private Hospitals<sup>2</sup></i>							
	<i>Total Admissions</i>			<i>Total Days of Care</i>			<i>Average Length of Stay</i>	
	<b>1965</b>	<b>1964</b>	<b>1963</b>	<b>1965</b>	<b>1964</b>	<b>1963</b>	<b>1965</b>	<b>1964</b>
Active Treatment including								
Psychiatric .....	<b>152</b>	153	152	<b>1,569</b>	1,572	1,551	<b>10.4</b>	10.2
Convalescent Care and								
Rehabilitation .....	<b>1</b>	1	1	<b>44</b>	38	34	<b>48.3</b>	46.5
Chronic Care .....	<b>1</b>	1	1	<b>356</b>	355	346	<b>270.7</b>	262.3
All levels of care .....	<b>154</b>	155	154	<b>1,969</b>	1,965	1,931	<b>12.8</b>	12.5

During 1965, the greatest increase in actual days of care per 1000 eligible population occurred in hospitals and units which provided convalescent and rehabilitation care. Increases were also noted in the average lengths of stay for each level of care, the overall increase being in the order of 2.4 per cent. The chart and tables, appearing on Pages 2, 14 to 16 inclusive, record some of the more significant statistics and relevant comparisons that pertain to hospital utilization in the hospitals and facilities approved under the Plan.

## HOSPITAL PLANNING FOR BEDS AND SERVICES

In planning to meet the active treatment needs of the province, the Commission categorizes the centres in which hospitals are located according to the level of diagnostic and therapeutic services they provide. These are defined as follows:

- (a) Community centres contain a hospital having usually less than 100 beds and treat patients requiring maternity, or relatively minor medical-surgical care.
- (b) District centres contain hospitals having, in general, from 100 to 500 beds, which can render more complicated care because of more specialized staff and facilities. They supply their own needs on the community level and also accept some referral cases from nearby community hospitals.
- (c) Regional centres which, except for the north, are or are shortly to become university medical teaching centres. The major hospitals in these locations are equipped and staffed to provide very specialized treatment such as heart surgery, brain surgery, cancer clinic work, etc., and therefore are able to accept cases from both community and district hospital centres.

The map on pages 6 and 7 shows the location of these various types of hospital centres in 1965 and outlines the regional referral areas, based on where the population went for hospital care that year. Efforts are being made to promote the concept of regionalization throughout the province, so that the hospital needs of the community as a whole can be met by making necessary beds and services available without duplication, to provide high quality care, and to permit maximum utilization of professional and technical personnel, all with the greatest economy of financial resources. Regional hospital councils have already been formed in Toronto, Windsor, Sudbury, Hamilton, and Bruce County, and several other centres are contemplating this approach to their planning problems.

In applying the overall active treatment planning standard of 5.0 beds per 1000 population<sup>3</sup>, recognition is given to the degree of community, district and regional type care provided in each hospital centre, by scaling the bed ratio accordingly and weighting it to take into account the age distribution of the hospital service area population to which it is applied.

<sup>1</sup> Eligible population is defined to be the total provincial population (6,731,000) less armed forces personnel, members of the R.C.M.P. and inmates of Federal penal institutions (44,000). Population figures are quoted as of June 1 and based on Dominion Bureau of Statistics' estimates.

<sup>2</sup> Including temporarily approved nursing homes.

<sup>3</sup> The population figure used in connection with all planning ratios is based on total population less armed forces personnel. In certain centres, if adequate hospitals facilities are provided in Ontario Hospitals, federal penal institutions and provincial reformatories, this population is also excluded on a community basis.



SEAFORTH COMMUNITY HOSPITAL, SEAFORTH



LOUISE MARSHALL HOSPITAL, MOUNT FOREST



GLENGARRY MEMORIAL HOSPITAL, ALEXANDRIA



Similar standards are also used for calculating the bed needs for other levels of care. The standard for convalescent and rehabilitation care is .25 beds per 1000 population applied to the regional service area. The chronic care ratio is 1.0 beds per 1000 community population, weighted in terms of the age group, 65 years and over. Psychiatric beds to be located in public general hospitals are calculated at .6 beds per 1000 adult (15 years and over) population, located within the hospital centre's district service area. The allocation of these beds, however, is vested with the Mental Health Division of the Department of Health, although the operational cost of the units comes under the jurisdiction of the Commission.

During 1965, public hospitals in Ontario brought into service 1,083 hospital beds<sup>1</sup>, 206 newborn bassinets and 277 beds for accommodation of student nurses and medical interns. At the close of the year 30 construction projects were either in progress or had approval to start. These projects have been designed to bring an additional 4,981 hospital beds into use. The following table summarizes and classifies this information according to type of accommodation.

	<i>Adult and Child Beds</i>			<i>Newborn Bassinets</i>	<i>Accommodation for Nurses and Interns</i>
	<i>Active Treatment</i>	<i>Convalescent</i>	<i>Chronic</i>		
New beds available in 1965 (Gross) .....	<b>1,019</b>	....	<b>64</b>	<b>206</b>	<b>277</b>
Beds under construction and beds approved .....	<b>4,866</b>	....	<b>115</b>	<b>408</b>	<b>11</b>

Photographs of three hospitals which opened in Ontario during 1965 are shown on page 4. During that year seventeen major construction projects involving public hospitals were completed. Those contributing substantially to the new beds brought into use were Henderson General in Hamilton, Hotel Dieu in Kingston, St. Michael's and Queensway General, both in Metropolitan Toronto.

Reference to the following table shows that there was a net increase of 596 beds in all hospitals and temporarily approved nursing homes in 1965 over 1964. The increase in active psychiatric, chronic care and federal hospital beds balanced the re-classification of beds originally assigned for convalescent and rehabilitation care.

<i>Type of Bed</i>	<i>Total Rated Bed Capacity at Dec. 31, 1965</i>	<i>Beds per 1000 Eligible Population<sup>2</sup></i>	<i>Net Increase or (Decrease) In Beds 1965/1964</i>	<i>Percentage Increase or (Decrease) In Beds 1965/1964</i>
<b>Public and Private Hospitals</b>				
Active treatment .....	<b>33,679</b>	<b>5.0</b>	596	1.8
Psychiatric (short-term and intermediate) .....	<b>662</b>	<b>.1</b>	20	3.1
Convalescent Care and Rehabilitation .....	<b>1,151</b>	<b>.2</b>	(192)	(14.3)
Chronic Care .....	<b>7,094</b>	<b>1.1</b>	138	2.0
All levels of care .....	<b>42,586</b>	<b>6.4</b>	562	1.3
<b>Federal Hospitals and Nursing Stations</b>				
All levels of care .....	<b>2,604</b>	<b>.4</b>	34	1.3
<b>TOTAL, all levels of care .....</b>	<b>45,190</b>	<b>6.8</b>	<b>596</b>	<b>1.3</b>

Although the total beds available per 1000 eligible population would indicate that more beds exist than are provided by planning standards, there is a closer relationship between the two figures than is immediately apparent. The figures in the above table include active and chronic beds located in Federal hospitals, which do not form part of the planning formulae. Secondly, most hospitals are permitted to plan for bed needs that are anticipated 5 years hence, due to the length of time required for adequate planning and construction. Also, not all of the existing beds are located where they are most needed; this is particularly so in some metropolitan areas. These factors, therefore, need to be considered when interpreting the above figures.

<sup>1</sup> Part of the gross 1,083 new adult beds was offset by 470 beds taken out of service as a result of obsolescence or renovations. Similarly, the 206 bassinets were offset by 186 taken out of service.

<sup>2</sup> See footnote 1 on page 3.

# NORTHEASTERN ONTARIO





# PROVINCE OF ONTARIO HOSPITAL REFERRAL REGIONS

1965

SCALE: 30 MILES

## LEGEND

- Community Centre
- ▲ District Centre
- Regional Centre



NORTHERN ONTARIO

SCALE: 60 Miles

## HOSPITAL GRANTS AND LOANS

The Province of Ontario assists hospitals by providing three major types of grants — capital, special capital and out-patient grants. In addition it makes loans available to public hospitals to assist in construction of new active treatment facilities. These loans are made in amounts up to \$5,000 per new bed at an interest rate of 3 per cent per annum. Repayment must amount to at least three-eighths of differential income occurring from the new beds.

With one exception, the grant and loan structure outlined in the 1964 Annual Report remained unaltered in 1965. The principal change that occurred was the increase in the out-patient grant from \$1.50 to \$2.25 per visit. The following table summarizes the amounts the province has paid in grants and loans to public hospitals during the last two fiscal years, ending March 31.

	1965/66	1964/65
Capital grants .....	<b>\$11,039,445.89</b>	\$11,472,214.82
Special capital grants .....	<b>4,247,000.00</b>	9,222,650.00
Organized out-patient grants .....	<b>1,156,582.50</b>	1,034,905.50
Total, grants paid .....	<b>\$16,443,028.39</b>	\$21,729,770.32
Loans approved .....	<b>21,148,000.00</b>	6,071,000.00
TOTAL, grants paid and loans approved .....	<b>\$37,591,028.39</b>	\$27,800,770.32

The substantial increase in loan moneys can be attributed to the fact that the loan regulations did not become effective until June 1964, as well as to the increased number of construction projects which gained Commission approval in 1965.

## OUT-PATIENT SERVICES

The Plan provides coverage for a wide range of hospital out-patient services to insured residents. In addition, physiotherapy services prescribed by a physician and rendered by private physiotherapists who have contracted with the Commission to provide this service are also covered, as are out-patient treatment services to patients of rehabilitation and crippled children's centres.

The cost of providing these various types of out-patient services in 1964 and 1965 are summarized below:

<i>Cost of Out-patient Services</i>	1965	1964
Emergency .....	<b>\$ 4,788,028<sup>1</sup></b>	\$ 4,650,397
Follow-up and other .....	<b>1,591,411</b>	1,087,018
Sub-total .....	<b>\$ 6,379,439</b>	\$ 5,737,415
Therapy Services <sup>2</sup> .....	<b>1,200,221</b>	464,584
Private Physiotherapy <sup>3</sup> .....	<b>922,703</b>	92,607
Rehabilitation Services <sup>3</sup> .....	<b>378,298</b>	35,453
TOTAL .....	<b>\$ 8,880,661<sup>4</sup></b>	\$ 6,330,059

Since the various therapy and rehabilitation services did not start till mid-1964 or later, a truer picture of the annual costs of operating these services is reflected in the 1965 figures.

## HOME CARE

Since 1964, Wellington County and Guelph have instituted hospital-based home care programmes in addition to those operating in Toronto and Ottawa. Interest in similar plans has also been expressed by Hamilton, Windsor, London and St. Catharines.

The cost of operating the Metropolitan Toronto hospital-based home care programme was \$388,635.69 for the fiscal year ending March 31, 1966. The other programmes are being financed principally through Federal Health Grants.

<sup>1</sup> Emergency out-patient costs \$4,832,933 less third party recoveries of \$44,905.

<sup>2</sup> Commenced July 1, 1964.

<sup>3</sup> Commenced September 14, 1964.

<sup>4</sup> Per Financial Statements \$8,925,566 less third party recoveries of \$44,905.



## REGIONAL EDUCATIONAL FACILITIES

Programmes for the establishment of regional schools to increase the output and standardize the educational programme for nurses and laboratory technologists got actively underway in 1965.

The development of the programme with respect to regional schools of nursing was placed under the direction of an Ad Hoc Committee comprised of representatives of the Commission, the Ontario Hospital Association and College of Nurses. Prior to the implementation of the expanded educational programme, the problem of providing necessary additional instruction staff had to be faced. As an interim step, short courses for training senior nursing personnel as teaching assistants were held in August and November 1965, under the direction of the College of Nurses.

At the outset, the new schools of nursing will offer a course of training consisting of two years' education followed by a third year of clinical experience. Eight regional schools of nursing had been approved and two were in operation, at the end of 1965.

The opening of new beds, the advent of automation in laboratories, and the increased availability of medical services to the public, has created a rising need for laboratory technologists. At the present time, regional schools for training laboratory technologists have been established in Toronto, Hamilton and London, and plans for the replacement and establishment of regional educational facilities are underway in Toronto and Ottawa.

## HOSPITAL COMPUTER SYSTEMS

Studies were conducted in 1965 into the feasibility of establishing computer systems in hospitals. It was the opinion that widespread planning or adoption of such systems by hospitals cannot be justified at the present time, although it is realized they will eventually play an important role.

In recognition, however, of the fact that some hospitals are now in a position to possibly consider the use of a computer, the Commission considers that one or two pilot projects could be approved, provided that certain conditions are met. These conditions, which constitute minimal requirements for a hospital seriously interested in the difficult and costly job of converting some of its present operations to a centrally controlled information system, are outlined below:

- i. The hospital must have at least 500 beds and the proposed system include a sharing arrangement with other hospitals in their region or a University. For economical unit costs, there would have to be eventually 2,000 to 3,000 beds using one central system.
- ii. The central hospital must have experienced at least two successive years of stable operation immediately prior to the date of the project request, and had at least the same length of experience in operating with less complete systems involving punch card or other mechanical or electronic methods.
- iii. The proposed feasibility study of the installation of a computer in the hospital must have the full support of the Board, Administration, Medical Staff and Heads of Departments.
- iv. The hospital must be able to give reasonable guarantees that it can obtain or have trained the necessary key personnel to operate the system.
- v. Feasibility studies must have been completed and be the work of hospital-oriented personnel with agreement by all parties concerned. Cost estimates must be adequately studied and the proposed timing of implementation and conversion must be realistic. The study should deal with all the benefits to be derived and demonstrate the capability of the equipment to handle the work load adequately.
- vi. Implementation of the system must be capable of accomplishment within two years, with programme packages fully tested and delivered.
- vii. After the system is fully in operation, a third year should be allowed to permit parallel operation to cope with operational problems connected with the electronic equipment. The intention would be to realize the cost forecasts of the whole system in the fourth year or, in the case of a sharing arrangement, in the fifth year.
- viii. Since very substantial costs are involved in the operation of a computer, there should be forecasts of cost savings provided, with the intention of recovering the initial increased costs, by cost savings within a period of ten years after the system is fully operational.
- ix. Since such a system is "on line" full-time, provision must be made in the form of a standby computer or an acceptable alternative to the possibility of main-frame breakdown.

- x. Consideration would be given to a project application from an expanding hospital, if the above terms apply, and when the demonstrated savings could prevent additional costs which would otherwise be incurred.

## FINANCIAL OPERATIONS

The annual comparative financial statements of the Commission for the calendar years 1964 and 1965 are shown on the following pages of this report.

An outline of some of the more important features of the statements follows:

### 1. *Expenditure — Insured Hospital Services*

The expenditure incurred for insured hospital services in 1965 was \$345,052,365. This represents an increase of 12.9 per cent over the comparable amount for 1964 of \$305,739,960. The increase includes the operating costs of new beds and services as well as the additional operating cost of existing facilities. This compares to an increase of 11.6 per cent in 1964 over 1963.

### 2. *Administrative Costs*

The net administrative expenses of the Commission for 1965 were \$5,683,079 which represents 1.6 per cent of the overall cost of the Plan. \$3,897,385 or 68.6 per cent was for salaries and wages. The Commission employed a total of 752 persons at December 31, 1965 as compared with a total of 759 persons at December 31, 1964.

### 3. *Premium Income and Government Contributions*

Premium income earned in 1965 in respect of standard ward coverage and certain out-patient benefits totalled \$152,934,729 as compared to \$109,628,225 in 1964.

The Government of Canada contribution for 1965 is estimated to be \$166,406,933. The amount was calculated on the formula contained in the Federal-Provincial Agreement and will require modification when total 1965 hospital costs for all provinces are known.

Assistance by the Government of Ontario for hospital operating costs and administrative expenses for 1965 was \$35,837,673. In addition, expenditures totalling \$99,300,377 were made by the Province for mental and tuberculosis care, and for special and capital grants.

#### *Income and Government Contributions*

Premium Income Gross .....	\$152,934,729	
Sundry Income .....	261,793	
Government Contributions		
Canada .....	166,406,933	
Ontario .....	\$109,360,680	
Special and Capital Grants .....	21,190,912	130,551,592

### 4. *Assets and Liabilities*

The Comparative Statement of Assets and Liabilities shows the financial position of the Commission as at December 31, 1965 and 1964.

Deferred income of \$41,428,396 at December 31, 1965 refers to premiums paid in advance for coverage in subsequent months. The funds obtained from these premium pre-payments were, in part, used as working capital to pay hospitals for their costs until the Commission was reimbursed by the Federal and Provincial Governments for their shares of hospital costs. The portion not used in this manner was invested in short-term government securities.

At December 31, 1965, it was estimated that \$3,000,000 was due to the Commission from third parties. This amount represents the estimated portion of hospital costs paid by the Commission that are recoverable from third parties responsible for the hospitalization of insured persons.

Unpaid hospital costs at December 31, 1965 amounted to \$26,495,061. In large part, this amount was owing to public hospitals and is the difference between the allowable costs incurred by hospitals for 1965 and the advances made to them in 1965 based on approved budgets. A further advance is given shortly after the year-end and a final settlement made when the hospital's audited financial statements are reviewed by the Commission and allowable costs ascertained.



G. H. SPENCE, B.A., F.C.A.  
PROVINCIAL AUDITOR

R. B. CRANSTON, C.A.  
ASST. PROVINCIAL AUDITOR



ONTARIO

ADDRESS ALL COMMUNICATIONS  
TO THE PROVINCIAL AUDITOR  
PARLIAMENT BUILDINGS, TORONTO

OFFICE OF PROVINCIAL AUDITOR

AUDITOR'S REPORT

To the Chairman and Members of the  
Ontario Hospital Services Commission,  
2195 Yonge Street,  
Toronto, Ontario.

I have examined the statement of assets and liabilities of the Ontario Hospital Services Commission as at December 31, 1965 and statement of expenditure, income and government contributions for the year ended on that date. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion the accompanying statement of assets and liabilities and statement of expenditure, income and government contributions present fairly the financial position of the Commission as at December 31, 1965, and the results of its operations for the year ended on that date.

A handwritten signature in blue ink, reading "G. H. Spence F.C.A.", written in a cursive style.

Toronto, Ontario,  
June 27, 1966.

Provincial Auditor

**ONTARIO HOSPITAL SERVICES COMMISSION**  
**STATEMENT OF ASSETS AND LIABILITIES**  
*December 31, 1965*

(with comparative figures at December 31, 1964)

	<u>1965</u>	<u>1964</u>
<b>ASSETS</b>		
Cash .....	\$ 3,604,501	\$ 4,631,548
Government of Canada Treasury Bills — at cost and accrued interest (par value 1965 \$3,000,000; 1964 \$2,800,000) ..	2,991,149	2,796,838
Receivable from Government of Canada .....	24,885,069	22,890,783
Receivable from Province of Ontario .....	33,465,195	28,987,019
Group premiums receivable .....	2,220,790	2,733,043
Estimated hospital costs receivable from other insurers .....	3,000,000	2,550,000
Other receivables and prepaid expenses .....	215,681	224,944
	<u>\$ 70,382,385</u>	<u>\$ 64,814,175</u>
<b>LIABILITIES</b>		
Accrued hospital costs .....	\$ 26,495,061	\$ 21,672,389
Due to Province of Ontario for portion of premiums for improvement of care in Provincial mental institutions .....	1,224,636	1,198,564
Accounts payable and accrued liabilities .....	1,234,292	1,215,373
	<u>\$ 28,953,989</u>	<u>\$ 24,086,326</u>
Deferred income — premiums applicable to insured services in subsequent months .....	41,428,396	40,727,849
	<u>\$ 70,382,385</u>	<u>\$ 64,814,175</u>

Approved



Chairman and General Manager



Commissioner of Finances

Note: At December 31, 1965 the Commission, on behalf of the Province of Ontario, had made capital construction loans to hospitals totalling \$8,726,067. The funds for these loans were provided by the Province of Ontario, and all interest and principal received by the Commission will be remitted to the Province of Ontario.



**ONTARIO HOSPITAL SERVICES COMMISSION**  
**STATEMENT OF**  
**EXPENDITURE, INCOME AND GOVERNMENT CONTRIBUTIONS**  
*for the year ended December 31, 1965*  
 (with comparative figures for the year ended December 31, 1964)

	1965	1964
<b>EXPENDITURE</b>		
Hospital costs:		
In-patient costs .....	\$338,765,697	\$301,723,474
Out-patient costs .....	8,925,566	6,359,548
Costs recovered from others .....	(2,638,898)	(2,343,062)
	<u>\$345,052,365</u>	<u>\$305,739,960</u>
Operating expenses:		
Salaries .....	\$ 3,897,385	\$ 3,740,263
Rentals, postage, printing and other administrative expenses .....	2,395,218	2,295,078
Expenses recovered from supplementary carriers of hospital insurance and health grants .....	(609,521)	(570,506)
	<u>\$ 5,683,079</u>	<u>\$ 5,464,835</u>
Total expenditure .....	<u>\$350,735,444</u>	<u>\$311,204,795</u>
<b>INCOME</b>		
Premiums for insured care .....	\$152,934,729	\$109,628,225
Less portion of premiums paid to the Province for improvement of care in Provincial mental institutions ..	4,705,684	4,594,360
	<u>\$148,229,045</u>	<u>\$105,033,865</u>
Income from investments .....	261,793	316,827
	<u>\$148,490,838</u>	<u>\$105,350,692</u>
<b>GOVERNMENT CONTRIBUTIONS</b>		
Government of Canada .....	\$166,406,933	\$149,394,401
Province of Ontario .....	35,837,673	56,459,702
	<u>\$202,244,606</u>	<u>\$205,854,103</u>
Total income and government contributions .....	<u>\$350,735,444</u>	<u>\$311,204,795</u>

# VOLUME OF HOSPITAL CARE

GENERAL INFORMATION	ALL HOSPITALS	PUBLIC			
		ACTIVE TREATMENT		CONVALESCENT	
		Public General Hospitals (1)	Red Cross Outposts	Hospitals	Units of Hospitals
Number of Hospitals or Units in Operation during 1965 .....	---	180	14	8	5
Rated Bed Capacity as at December 31, 1965					
Adults and Children .....	45,190	33,318	180	865	286
Basinets .....	6,202	5,977	94	---	---
Percentage of Bed Occupancy					
Adults and Children .....	83.7	84.0	55.7	65.0	84.2
Nursery .....	44.2	44.8	13.6	---	---
Average Number of Adults and Children in Hospital Daily .....	37,824	27,972	100	562	241
Average Length of Stay of Discharges and Deaths					
Adults and Children .....	13.2	10.5	6.3	45.3	58.1
Newborn .....	7.0	7.0	5.8	---	---
Admissions					
Adults and Children .....	1,049,940	974,672	5,805	4,607	1,452
Newborn .....	142,721	139,099	808	---	---
Total .....	1,192,661	1,113,771	6,613	4,607	1,452
Discharges and Deaths					
Adults and Children .....	1,050,713	975,629	5,833	4,497	1,401
Newborn .....	143,030	139,421	811	---	---
Total .....	1,193,743	1,115,050	6,644	4,497	1,401
Patients Treated During 1965					
Adults and Children .....	1,083,880	999,488	5,913	5,049	1,642
Newborn .....	145,317	141,637	821	---	---
Total .....	1,229,197	1,141,125	6,734	5,049	1,642
Total Days' Stay Since Admission of Discharges and Deaths					
Adults and Children .....	13,842,132	10,215,438	36,685	203,583	81,335
Newborn .....	1,005,356	981,730	4,679	---	---
Total .....	14,847,488	11,197,168	41,364	203,583	81,335
Days of Care Given in 1965					
Adults and Children .....	13,805,787	10,209,891	36,583	205,239	87,867
Newborn .....	1,000,711	977,003	4,678	---	---
Total .....	14,806,498	11,186,894	41,261	205,239	87,867

(1) Includes (a) the new Glengarry Memorial, Alexandria, which opened on May 17, 1965 with 40 beds and (b) the Lady Dunn General, Wawa, which became a public hospital on July 1, 1965.

(2) New units for the chronically-ill were opened at Ajax and Pickering General Hospital, Ajax, November 1, 1965; The Louise Marshall, Mount Forest, April 7, 1965; St. Joseph's, Parry Sound, December 22, 1965; and Prince Edward County, Picton, which was not in use during 1965 due to shortage of staff.



# GIVEN IN ONTARIO, 1965

HOSPITALS			PRIVATE HOSPITALS			FEDERAL HOSPITALS AND NURSING STATIONS TOTAL (5)	NURSING HOMES TEMPORARILY APPROVED FOR CHRONIC CARE (6)
CHRONIC		TOTAL (Public)	ACTIVE (3)	CHRONIC (4)	TOTAL (Private)		
Hospitals	Units of Hospitals (2)						
16	56	---	25	22	47	---	45
3,160	2,658	40,467	843	527	1,370	2,604	749
---	---	6,071	103	---	103	28	---
98.7	83.8	84.6	80.0	93.5	86.0	67.4	89.4
---	---	44.3	42.4	---	42.4	30.2	---
3,119	2,226	34,221	844	503	1,178	1,756	669
343.1	190.3	12.6	7.6	718.7	12.5	30.8	273.2
---	---	7.0	6.8	---	6.8	6.7	---
3,543	3,916	993,995	32,357	472	32,829	22,254	862
---	---	139,907	2,796	---	2,796	459	---
3,543	3,916	1,133,902	34,713	472	35,185	22,712	862
3,626	3,783	994,769	32,316	469	32,785	22,340	913
---	---	140,232	2,744	---	2,744	454	---
3,626	3,783	1,135,001	34,660	469	35,129	22,794	913
6,707	6,024	1,024,823	32,849	977	33,826	23,681	1,354
---	---	142,458	2,393	---	2,395	464	---
6,707	6,024	1,167,281	35,244	973	36,217	24,145	1,354
1,244,045	720,030	12,501,116	244,452	166,161	410,613	680,893	249,511
---	---	986,409	15,919	---	15,919	3,028	---
1,244,045	720,030	13,487,525	260,371	166,161	426,532	683,921	249,511
1,138,374	812,608	12,490,562	246,171	183,719	429,890	641,026	244,309
---	---	981,681	15,945	---	15,945	3,085	---
1,138,374	812,608	13,472,243	262,116	183,719	445,835	644,111	244,309

(3) Includes One Medical Place, Don Mills, which opened February 2, 1965. Does not include Lady Dunn General, Wawa, which became a public hospital July 1, 1965, and Grace Haven, Hamilton, which ceased to operate under the Plan April 30, 1965.

(4) The Licensed beds in the Villa Private Hospital, Thornhill, where increased from 24 to 32 for 1965.

(5) (a) The number of beds available in Sunnybrook Hospital, Toronto, continued to be temporarily reduced by the 43 leased to Wellesley Hospital, Toronto and (b) Westminster Hospital, London, increased its rated bed capacity by 44.

(6) One nursing home was approved and five ceased to operate under the Plan in 1965.

## TRENDS IN PUBLIC HOSPITAL CARE, 1963 to 1965

ALL PUBLIC HOSPITALS IN ONTARIO	YEAR ENDED DECEMBER 31			Percentage Increase or (Decrease) 1965/64	Percentage Increase or (Decrease) 1964/63
	1965	1964	1963		
Population insured by O.H.S.C.* .....	6,715,508	6,572,871	6,370,168	2.2	3.2
Rated Beds .....	40,467	39,854	38,280	1.5	4.1
<b>Number of Adult and Child</b>					
Admissions .....	993,995	982,650	951,530	1.2	3.3
Discharges and Deaths .....	994,769	981,094	949,779	1.4	3.3
Patients Under Care During Year (1) ..	1,024,823	1,011,906	979,036	1.3	3.4
<b>Total Patient Days (Adults and Children)</b>					
of Discharges and Deaths (2) .....	12,501,116	12,098,183	11,627,490	3.3	4.0
of Care Given During Year (3) .....	12,490,562	12,161,586	11,656,624	2.7	4.3
<b>Average Length of Stay of Patients Discharged or Died</b>					
Active .....	10.4	10.3	10.3	1.0	0.0
Convalescent .....	48.3	46.5	45.7	3.9	1.8
Chronic .....	268.1	268.5	277.9	(1.3)	(3.4)
Total .....	12.6	12.3	12.2	2.4	0.8
<b>Number of Diagnostic Radiological Examinations (4) (5)</b>					
In-patients .....	950,276	867,447	773,024	9.5	12.2
Out-patients .....	1,098,253	966,431	857,164	13.6	12.7
<b>Total Units of Laboratory Service Performed in Hospitals</b>					
In-patients .....	42,391,949	36,469,801	31,360,953	16.2	16.3
Out-patients .....	4,380,123	3,908,597	3,394,585	12.1	15.1
Referred-in .....	1,731,297	1,811,143	1,681,799	(4.4)	7.7
<b>Total Staff and Employees of Hospitals as at December 31st</b>					
Full-time .....	74,335	71,037	67,991	4.6	4.5
Part-time .....	12,640	11,754	10,511	7.5	11.8
<b>Total Paid Hours of Work .....</b>	161,112,058	155,216,932	147,031,373	3.8	5.6

(1) Discharges and deaths plus patients in-residence at end of year.

(2) Days since admission (i.e., includes some days from prior year(s) but excludes days of patients in-residence at end of year).

(3) Days of care given during calendar year to discharges and deaths and patients in-residence at end of year.

(4) Excludes convalescent and chronic hospitals.

(5) Excludes routine admission chest x-rays.

\* Insured population as of December 31st.



## COMMISSION DIRECTORY

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<i>Commissioner of Finances</i>	E. P. MCGAVIN, C.A.
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<i>Hospital Operating Standards</i>	K. E. BOX
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<i>Hospital Programmes</i>	D. J. TWISS, M.D.
<i>Medico-Legal Consultant</i>	F. A. EVIS, Q.C., B.A., M.D., D.P.H.
<i>Solicitor and Counsel</i>	G. MANJURIS, B.A., B.COM., (Osgoode Hall)

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